



GOVERNOR PETE WILSON

April 16, 1997

The Honorable Christopher Cox
United States House of Representatives
Washington, D.C. 20515

Dear Chris:

I am writing to offer my strong support for H.R. 1054, the "Internet Tax Freedom Act."

The Internet is a newly emerging business tool that holds great promise for commercial uses, and your bill will ensure that the Internet industry will have a chance to develop without the market distortions caused by a haphazard tax structure. Without that protection, countless potential businesses will never have the opportunity to succeed.

While large companies have access to the accountants necessary to comply with multiple local government tax demands, most Internet firms are small firms that can't afford this expensive service. As a result, they would be unable to cope with the myriad of reporting requirements and tax liabilities that are likely to be imposed if your legislation does not become law.

California is the home of many new Internet based businesses, but their markets are spread throughout the nation and the world. It would be California businesses that would be hardest hit if local governments attempt to adapt their existing tax structure to cover Internet activities.

I applaud you for your efforts and please let me know if there is anything I can do to assist you in the passage of this bill.

Sincerely,

A handwritten signature in dark ink, appearing to read "Pete", is placed below the word "Sincerely,".